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Commonwealth of Kentucky  
**Environmental and Public Protection Cabinet**  
**Public Service Commission**

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**Christopher L. Lilly**  
Commissioner  
Department of Public Protection

211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460

**Gregory Coker**  
Commissioner

Contact:  
Andrew Melnykovich  
(502) 564-3940 x208  
(502) 330-5981 (cell)

## **PSC APPROVES EXTENSION OF COLUMBIA CHOICE PROGRAM**

*Customers will be able to select natural gas supplier*

FRANKFORT, Ky. (March 29, 2005) – The Kentucky Public Service Commission (PSC) today approved the continuation of the Columbia Choice program, which allows residential and small commercial customers of Columbia Gas of Kentucky to choose the source of the natural gas they use in their homes or businesses.

Columbia Choice customers continue to pay Columbia for the cost of delivering the gas via the Columbia system, but contract with a marketer for the gas itself. They receive a single bill from Columbia with a delivery charge and the gas marketer's commodity charge.

Customers who retain Columbia as their gas supplier pay Columbia both a delivery charge and commodity charge. By law, Columbia's commodity charge must reflect what Columbia pays for the gas on the wholesale market, with no additional mark-up or profit for the company.

There currently are two marketers participating in the Columbia Choice program – Interstate Gas Supply (IGS) and MX Energy (MX).

Columbia Choice was approved by the PSC as a pilot program in 2000 and is due to expire at the end of this month. Today's PSC order extends the program through March 31, 2009.

About 30 percent of eligible Columbia customers are enrolled in Columbia Choice. Columbia estimates that those customers saved a total of \$13.5 million in the first four years of the program.

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In its application to extend the Columbia Choice program, Columbia also proposed to implement programs through which it shares certain cost savings with its customers. Columbia also requested PSC approval of a gas purchasing program intended to stabilize its wholesale costs for gas during the winter heating season. The PSC approved both requests.

Information about the Columbia Choice program is available from Columbia, including through the company Web site, [www.columbiagasky.com/choice.htm](http://www.columbiagasky.com/choice.htm). The Web site includes links to the gas marketing companies.

Today's order and related case documents are available on the PSC Web site, [psc.ky.gov](http://psc.ky.gov). The case number is 2004-00462.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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